

Centre for Entrepreneurial Learning

GROWING YOUR VENTURE.

John Snyder, *Entrepreneur In Residence*
11th February 2014
Cambridge Engineering Department

Centre for
**Entrepreneurial
Learning**



UNIVERSITY OF
CAMBRIDGE
Judge Business School



John Snyder

- **Muscat 1992-1997 ++**
 - University mainframe
 - Commercial internet & intranet search engine
 - 100% Revenue Growth; 25% Profit
- **WebTop 1999-2000**
 - Largest search engine (2 X Alta Vista)
- **Cambridge Enterprise Centre**
 - Business Creation & Mentoring
 - Cambridge Angels
- **Grapeshot 2006-**
 - Making Advertising Relevant
 - 750,000 QPS in 248 countries
 - Keyword contextual data <1 millisecond

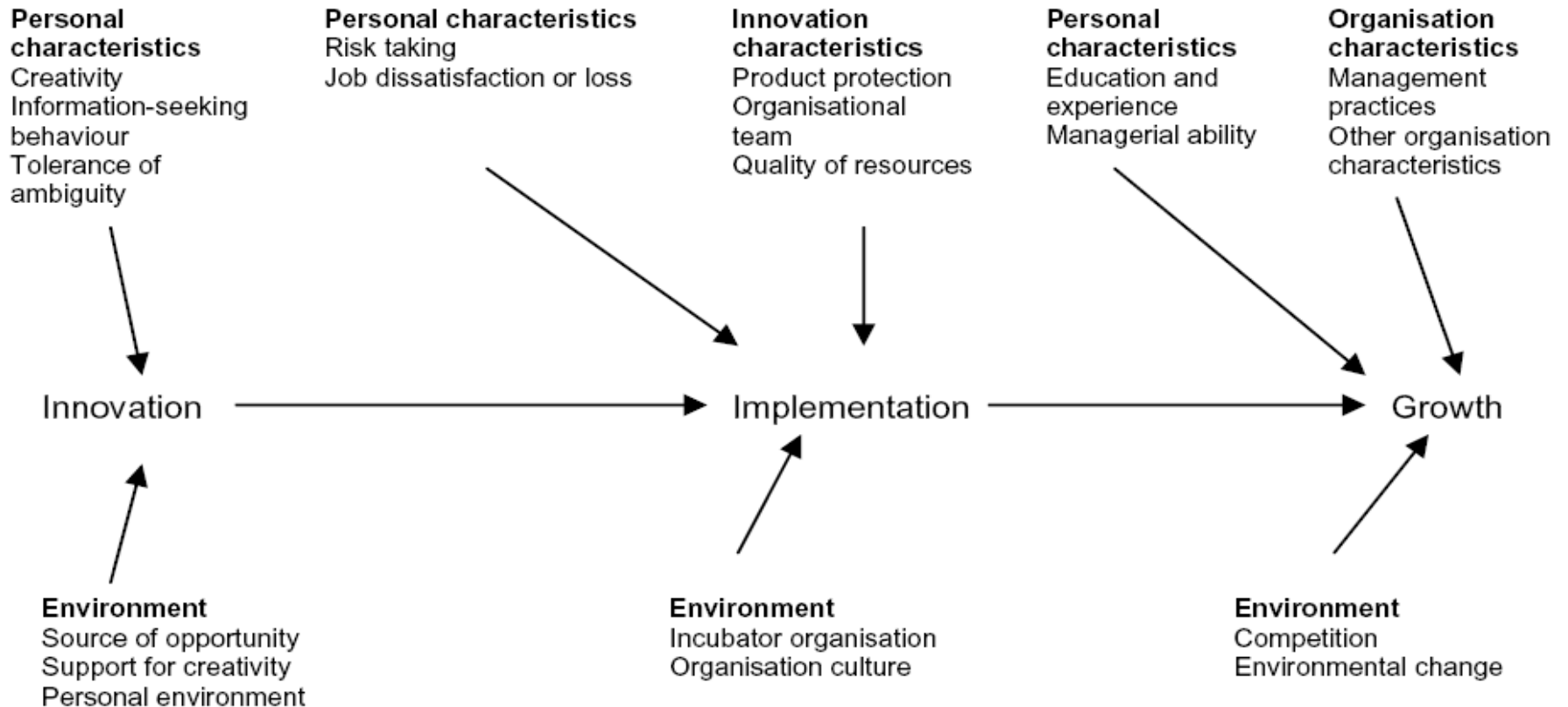
- Passion for idea/tech/market opportunity
 - Ride the problems; up & down roller coaster ride
- Early proof-points
- Brand credibility, when no brand yet?
- Mitigating risk – calculated risk
- What are you NOT doing?
- Choose your customers. Don't let them choose you...

- Leadership & Culture
- People don't come to work for money
- Processes
 - Killing the culture?
 - Enhancing the culture?
- Break-out “pivots”
- Listening to the market – always triangulate
- One hand on steering wheel, other leaning out of the out-rigger

Moore

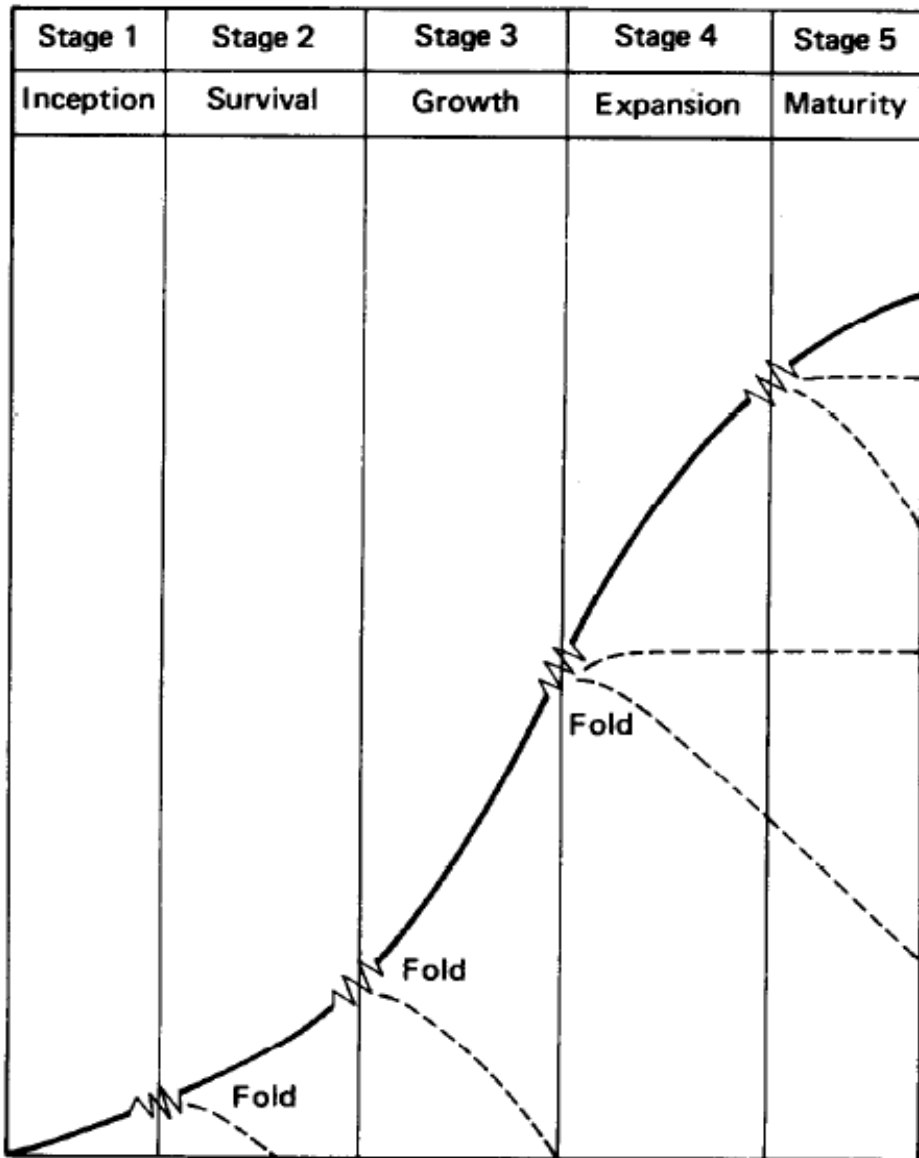
- *Innovation phase*: time when entrepreneurs generate and select ideas for new products or services.
- *Implementation phase*: a triggering event and the acquisition of capital and other resources.
- *Growth phase*: the success of the new venture and the need to acquire new managerial skills.

Moore's Entrepreneurship Process Model



Scott & Bruce: Key Issues and Likely Crises

Stage	Key Issues	Likely Crisis
Stage 1	Obtaining customers, economic production	<ul style="list-style-type: none"> • Demands placed on finances, energy and time
Stage 2	Revenue and expenses	<ul style="list-style-type: none"> • Overtrading • The increased complexity of expanded distribution channels • Change in the basis of competition • Pressures for information
Stage 3	Managed growth, ensuring resources	<ul style="list-style-type: none"> • Entry of larger competitors • The demands of expansion into new markets or products
Stage 4	Financing growth, maintaining control	<ul style="list-style-type: none"> • The distance of top management from the “action” • The need for external focus
Stage 5	Expense control, productivity, niche marketing if market declining	



Size

Young

Age of Business

Mature

Contained

Decline

Contained

Fold

Fold

Fold

— Evolution - - - - - Crisis

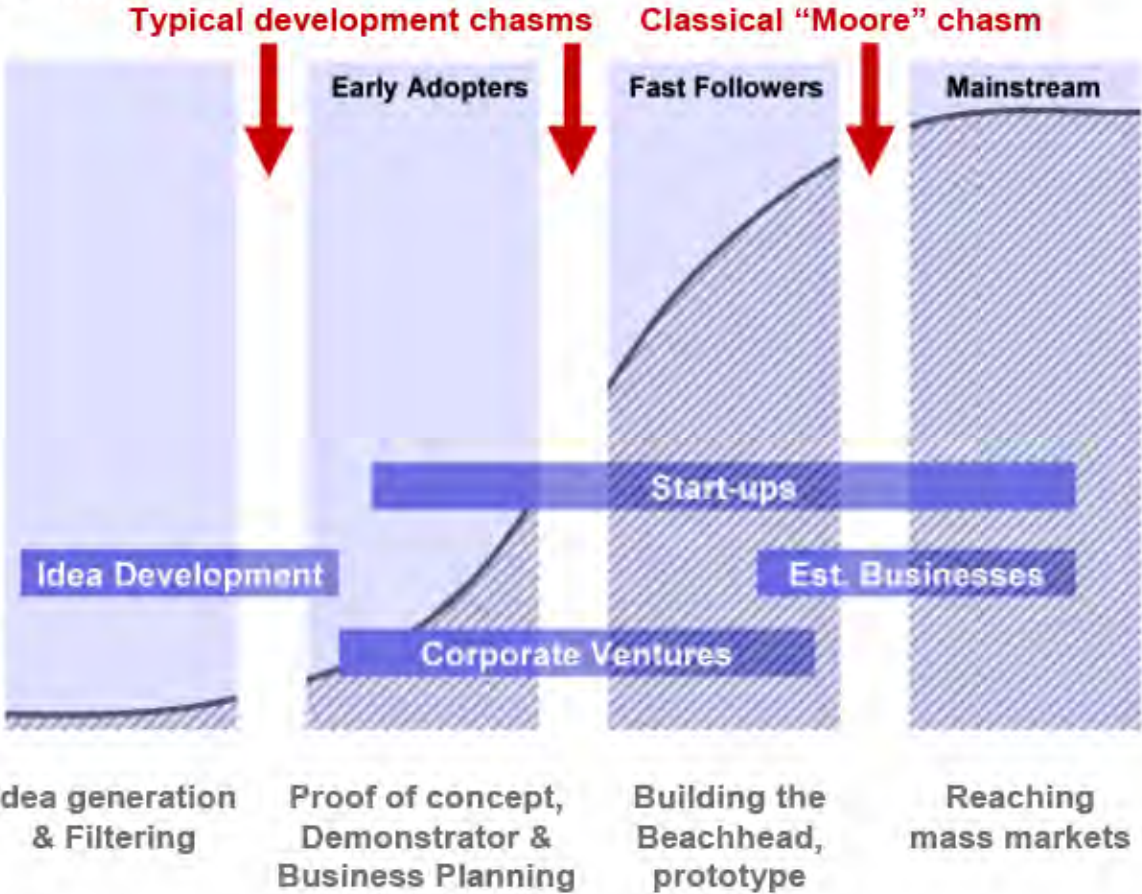
Building Businesses

→ Building businesses requires a thorough understanding of markets and technology based business development

→ Target Market

→ Typical Cartezia Engagement

Likely Business Objective



Scott and Bruce: Impact of Growth

	Stage 1. Inception	Stage 2. Survival	Stage 3. Growth	Stage 4. Expansion	Stage 5. Maturity
Stage of industry	Emerging, fragmented	Emerging, fragmented	Growth, some larger competitors, new entries	Growth, shakeout	Growth/shakeout or mature/declining
Key issues	Obtaining customers, economic production	Revenues and expenses	Managed growth, ensuring resources	Financing growth, maintaining control	Expense control, productivity, niche marketing if industry declining
Top management role	Direct supervision	Supervised supervision	Delegation, co-ordination	Decentralized	Decentralized
Management style	Entrepreneurial, individualistic	Entrepreneurial, administrative	Entrepreneurial, co-ordinate	Professional, administrative	Watchdog
Organization structure	Unstructured	Simple	Functional, centralized	Functional, decentralized	Decentralized functional/product
Product and market research	None	Little	Some new product development	New product innovation, market research	Production innovation
Systems and controls	Simple bookkeeping, eyeball control	Simple bookkeeping, personal control	Accounting systems, simple control reports	Budgeting systems, monthly sales and production reports, delegated control	Formal control systems, management by objectives
Major source of finance	Owners, friends and relatives, suppliers leasing	Owners, suppliers, banks	Banks, new partners, retained earnings	Retained earnings, new partners, secured long-term debt	Retained earnings, long-term debt
Cash generation	Negative	Negative/breakeven	Positive but reinvested	Positive with small dividend	Cash generator, higher dividend
Major investments	Plant and equipment	Working capital	Working capital, extended plant	New operating units	Maintenance of plant and market position
Product -market	Single line and limited channels and market	Single line and market but increasing scale and channels	Broadened but limited line, single market, multiple channels	Extended range, increased markets and channels	Contained lines, multiple markets and channels

Garnsey, et. al., (2006)

- new firm growth is both non-linear and prone to setbacks
- rapid initial growth was conducive to further growth because of both internal learning effects and market position

Nicholls-Nixon (2005)

- Rapid growth places immense strain on both entrepreneurs and businesses - leads to issues of performance.
- Capturing and sharing information – create an infrastructure that facilitates more innovative and faster responses with access to real time information on key performance metrics and ensuring that this information is widely shared

Glenn Collinson

Co-Founder and former Director of CSR Plc and Co-Founder of Neul Ltd

In 1998 Glenn Collinson co-founded Cambridge Silicon Radio (CSR Plc) as a start-up project and was a member of the board of directors that managed the growth of CSR through its listing as a public company in 2004 and up until 2007, serving first as marketing director and then as sales director.

Joep van Beurden

Chief Executive Officer, CSR Plc

Appointed Chief Executive Officer on 1 November 2007. Joep has over 15 years of experience in managing technology companies in the US and Europe. Prior to joining CSR, Mr van Beurden was Chief Executive of NexWave Inc., a provider of embedded software solutions for the consumer electronics market based in France. Before joining NexWave, Mr van Beurden held senior positions at Canesta Inc., a fabless semiconductor company in San Jose, California and Philips Components also in San Jose. Prior to that, Mr van Beurden had worked for five years for management and strategy consultants McKinsey & Company in Amsterdam.

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